## REMARKS

- I. Claims 21-37 are pending in the present application.
- II. Claims 21-37 were rejected under 35 U.S.C. 102(b) as being anticipated by "Tangible Computation Bricks: Building-blocks for Physical Microworlds" ("McNerney"). Although the examiner stated (on page 2) that claims 21-37 were rejected under 35 U.S.C. 102(b), the examiner articulated reasons (on pages 2-4) for rejection of only claims 21-25, 27-28, 31-37 under 35 U.S.C. §102(b). For the reasons set forth below, Applicants respectfully submit that the claims as amended herein overcome this rejection, as well as the rejection under 35 U.S.C. 103(a) as being unpatentable over McNerney.

As discussed with the examiner in the telephonic interview, the failure of McNerney is in its use of a microprocessor with its associated memory in EACH stackable block. The examiner contended that this distinction is not set forth in the claims, suggesting that if such difference were embodied in the claims then such distinction would overcome McNerney. See Response to Arguments (page 5), wherein the examiner stated, "[T]he examiner recognizes applicant's emphasis that the claimed blocks consist of memory and do not include microprocessors. However, these limitations are not claimed."

In the response to the Office Action of March 5, 2007, applicants added the limitation of "for execution by a computer external to said block" to distinguish over McNerney and to emphasize the difference between the claims and McNerney, namely each block contains a memory storing program instruction(s) but the program instruction(s) are not executed by a computer within the block. The examiner rejected this difference stating that this is merely a "functional limitation." In an effort to further clarify this language, the limitation has been made into an express structural limitation as set forth herein. Thus, applicants respectfully submit that the claims as amended herein fully distinguish over McNerney and are not obvious in view thereof.

LGTY-100

For the foregoing reasons, Applicants respectfully submit that the claims as amended herein are now in condition for allowance.

Respectfully submitted,

Dated:

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Rv

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